

## § 1704.25

pursuant to OFHEO's regulations, and the dates such actions were taken;

(5) If the collection is to be made by lump-sum payment, the amount and date such payment will be collected;

(6) If the collection is to be made in installments, the amount or percentage of disposable pay to be collected in each installment and, if OFHEO wishes, the desired commencing date of the first installments, if a date other than the next officially established pay period; and

(7) A statement that OFHEO's regulation on salary offset has been approved by the Office of Personnel Management pursuant to 5 CFR part 550, subpart K.

### **§ 1704.25 Voluntary repayment agreements as alternative to salary offset where OFHEO is the creditor agency.**

(a) *Proposed repayment schedule.* In response to a Notice of Intent, an employee may propose to repay the debt voluntarily in lieu of salary offset by submitting a written proposed repayment schedule to OFHEO. Any proposal under this section must be received by OFHEO within 15 calendar days after receipt of the Notice of Intent.

(b) *Notification of decision.* In response to a timely proposal by the employee, OFHEO shall notify the employee whether the employee's proposed repayment schedule is acceptable. OFHEO has the discretion to accept, reject, or propose to the employee a modification of the proposed repayment schedule.

(1) If OFHEO decides that the proposed repayment schedule is unacceptable, the employee shall have 15 calendar days from the date he or she received notice of the decision in which to file a request for a hearing.

(2) If OFHEO decides that the proposed repayment schedule is acceptable or the employee agrees to a modification proposed by OFHEO, an agreement shall be put in writing and signed by both the employee and OFHEO.

### **§ 1704.26 Special review where OFHEO is the creditor agency.**

(a) *Request for review.* (1) An employee subject to salary offset or a voluntary repayment agreement may, at any

## 12 CFR Ch. XVII (1–1–04 Edition)

time, request a special review by OFHEO of the amount of the salary offset or voluntary repayment, based on materially changed circumstances, including, but not limited to, catastrophic illness, divorce, death, or disability.

(2) The request for special review must include an alternative proposed offset or payment schedule and a detailed statement, with supporting documents, that shows why the current salary offset or payments result in extreme financial hardship to the employee and his or her spouse and dependents. The detailed statement must indicate:

- (i) Income from all sources;
- (ii) Assets;
- (iii) Liabilities;
- (iv) Number of dependents;
- (v) Expenses for food, housing, clothing, and transportation;
- (vi) Medical expenses; and
- (vii) Exceptional expenses, if any.

(b) *Evaluation of request.* OFHEO shall evaluate the statement and supporting documents and determine whether the original offset or repayment schedule imposes extreme financial hardship on the employee. OFHEO shall notify the employee in writing within 30 calendar days of such determination, including, if appropriate, a revised offset or payment schedule. If the special review results in a revised offset or repayment schedule, OFHEO shall provide a new certification to the paying agency.

### **§ 1704.27 Notice of salary offset where OFHEO is the paying agency.**

(a) *Notice.* Upon issuance of a proper certification by OFHEO (for debts owed to OFHEO) or upon receipt of a proper certification from another creditor agency, OFHEO shall send the employee a written notice of salary offset.

(b) *Content of notice.* Such written notice of salary offset shall advise the employee of the:

- (1) Certification that has been issued by OFHEO or received from another creditor agency;
- (2) Amount of the debt and of the deductions to be made; and
- (3) Date and pay period when the salary offset will begin.

(c) If OFHEO is not the creditor agency, OFHEO shall provide a copy of the